

Message Text

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ACTION AF-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-07
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
USIA-06 CU-04 AID-05 COME-00 EB-08 FRB-03 TRSE-00
XMB-02 OPIC-03 LAB-04 SIL-01 OMB-01 ACDA-12
DLOS-09 EUR-12 NEA-10 /131 W
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R 230921Z DEC 77
FM AMEMBASSY PORT LOUIS
TO SECSTATE WASHDC 7186
INFO AMEMBASSY VICTORIA

C O N F I D E N T I A L SECTION 1 OF 2 PORT LOUIS 1311

E.O. 11652: GDS
TAGS: PINT MARR ELAB EFIN US UR MP
SUBJECT: MAURITIUS WEEKLY REVIEW -- DECEMBER 23

REF: PORT LOUIS 1282

SUMMARY: PORT LOUIS 1310 PROVIDES A SUMMARY OF THIS
CABLE. END SUMMARY

1. ON DECEMBER 20 THE ASSEMBLY FINALLY ADOPTED THE "13TH
MONTH" WAGE BONUS BILL, BUT IN A MODIFIED FORM WHICH
PERMITS FREE ZONE EMPLOYERS TO PAY THE BONUS IN SIX
MONTHLY INSTALLMENTS STARTING IN JANUARY, AND OTHERPRIVATE
SECTOR FIRMS IN THREE MONTHLY INSTALLMENTS, ALSO STARTING
IN JANUARY. THE MAURITIAN MILITANT MOVEMENT (MMM)
OPPOSITION OBJECTED STRENUOUSLY TO THIS MODIFICATION,
BUT THEIR ATTEMPT TO AMEND THE BILL TO REMOVE THE STRETCH-
OUT WAS DEFEATED. THE LABOR MINISTER STATED THAT ALL
FIRMS WHICH ARE FINANCIALLY ABLE TO PAY THE BONUS PRIOR
TO DECEMBER 31 SHOULD DO SO. (COMMENT: THE STRETCH-
OUT WILL REDUCE THE INFLATIONARY IMPACT OF THE YEAR-END
BONUS, AND IT WILL ALSO HELP SOME FIRMS WHICH WERE THREATENING
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TO CLOSE DOWN OR DISCHARGE EMPLOYEES BECAUSE OF THEIR
INABILITY TO PAY THE BONUS WITHOUT HELP FROM THE BANKS
OR THE GOVERNMENT.)

2. IN THE DEBATE ON THE WAGE BONUS BILL THE MMM OPPOSITION
ACCUSED THE GOVERNMENT OF HAVING CAPITULATED TO THE EMPLOYERS
IN THE PRIVATE SECTOR AND OF HAVING "DEFENDED THE INTERESTS

OF THE CAPITALISTS." MMM LEADER PAUL BERENGER SAID THE GOVERNMENT SHOULD HAVE ARRANGED FOR THE BANKS TO FINANCE THE BONUS SO THAT IT COULD BE PAID IMMEDIATELY. RAMGOOLAM COUNTERED THAT SOME FREE ZONE INVESTORS WERE GETTING READY TO "PACK THEIR BAGS" WHICH WAS THE REASON THE GOVERNMENT DECIDED TO STRETCH OUT THE PAYMENTS. THE P.M. SAID THE LABOR PARTY HAD ALWAYS DEFENDED THE INTERESTS OF THE WORKERS AND HE ACCUSED THE MMM OF BEING IRRESPONSIBLE IN NOT BEING CONCERNED OVER THE UNEMPLOYMENT THAT UN-REALISTIC WAGE POLICIES WOULD CAUSE. HE SAID SOME OF THE DIFFICULTIES BEING EXPERIENCED BY FIRMS IN THE PRIVATE SECTOR CAN BE LAID AT THE DOOR OF THE MMM ITSELF, AND ON THE SHOULDERS OF BERENGER PERSONALLY.

3. AT THE ASSEMBLY SESSION OF DECEMBER 20 MINISTER OF PLANNING GHURBURRUN PRESENTED THE REPORT OF THE SELECT COMMITTEE HE CHAIRED WHICH HAS BEEN STUDYING THE QUESTION OF GOVERNMENT SUBSIDIES TO RELIGIOUS ORGANIZATIONS. THE REPORT CALLED FOR EQUAL TREATMENT FOR ALL RELIGIONS, WHICH SUBSIDIES TO BE BASED ON THE NUMBER OF ADHERENTS OF EACH RELIGION IN THE COUNTRY AT A RATE OF 4 RUPEES PER CAPITA. THE OPPOSITION THEN PRAISED THE REPORT, BUT PRIME MINISTER RAMGOOLAM PLEADED FOR FLEXIBILITY TO ALLOW THE GOVERNMENT TO ADJUST THE PRESENT SYSTEM GRADUALLY SO THAT IT WOULD NOT CAUSE RADICAL CHANGES IN THE FINANCES OF CERTAIN RELIGIOUS ORGANIZATIONS. (IT CAME OUT IN THE CONFIDENTIAL

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DEBATE THAT HINDU TEMPLES AND PRIESTS ARE SUPPORTED AT THE RATE OF ONE AND A HALF RUPEES PER ADHERENT, WHEREAS THE CHURCH OF ENGLAND AND CHURCH OF SCOTLAND, BOTH OF WHICH ENJOYED SPECIAL OFFICIAL SUPPORT DURING THE COLONIAL ERA, ARE STILL RECEIVING SUBSIDIES OF 32 RUPEES AND 10 RUPEES PER BELIEVER RESPECTIVELY.) RAMGOOLAM SAID THAT THE MAJORITY (MEANING THE HINDUS, MUSLIMS AND ROMAN CATHOLICS) SHOULD NOT BEHAVE "LIKE A TIGER" TOWARD MINORITY RELIGIONS WHICH ARE LACKING IN FINANCIAL RESOURCES.

4. ON THE P.M.'S BEHALF LABOR MINISTER MOHAMED OFFERED AN AMENDMENT SO THAT THE COMMITTEE'S REPORT WOULD BE "NOTED" BY THE ASSEMBLY BUT NOT "ADOPTED." A NUMBER OF MMM DEPUTIES OBJECTED STRONGLY TO THIS COURSE AND DENOUNCED THE AMENDMENT SARCASTICALLY. WHEN THE MATTER CAME TO A VOTE THE GOVERNMENT SIDE UNANIMOUSLY SUPPORTED MOHAMED'S AMENDMENT AND PREVAILED BY 35 VOTES TO 30.

5. INDEPENDENT L'EXPRESS REPORTED THAT RAMGOOLAM HAD TO "PAY DEARLY" FOR THE SUPPORT OF THE DEPUTIES OF THE ALLIANCE, WHO MOSTLY AGREED WITH THE MMM THAT THE SELECT COMMITTEE'S REPORT SHOULD BE ADOPTED FORTHWITH.

RAM OBTAINED THEIR SUPPORT FOR MOHAMED'S AMENDMENT AT AN URGENT CAUCUS OF THE GOVERNMENT'S DEPUTIES, BUT IN RETURN HE WAS REQUIRED TO PROMISE THAT ALL OF THE SELECT COMMITTEE'S RECOMMENDATIONS WILL BE MADE PART OF THE GOVERNMENT'S NEXT BUDGET (AT A COST OF SOME 1.2 MILLION RUPEES IN ADDITIONAL SUBSIDIES). THE P.M. SAID HE WOULD APPOINT A MINISTERIAL COMMITTEE IN JANUARY TO STUDY HOW TO IMPLEMENT THE REPORT'S RECOMMENDATIONS.

6. THE MMM REPRESENTATIVES, LED BY JUGNAUTH AND BERENGER, STAGED A WALK-OUT FROM THE FINAL MEETING OF THE PUBLIC ACCOUNTS COMMITTEE OF THE LEGISLATIVE ASSEMBLY, WHOSE JOB IT IS TO REVIEW THE GOVERNMENT'S FINANCIAL MANAGEMENT. THE MMM SIDE REFUSED TO SIGN THE COMMITTEE REPORT, WHICH
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WAS SUBMITTED TO THE ASSEMBLY ON DECEMBER 20. THEY COMPLAINED OF "IRREGULARITIES" IN THE COMMITTEE'S PROCEDURES AND SAID THAT THE REPORT OF THE COMMITTEE WAS "MULTILATED" BY THE GOVERNMENT SIDE, WHICH REMOVED FROM IT SOME REFERENCES TO FINANCIAL MISMANAGEMENT WHICH WOULD HAVE BEEN EMBARRASSING TO THE GOVERNMENT.

7. IN THE ASSEMBLY ON DECEMBER 20, MMM OPPOSITION LEADER JUGNAUTH EXPLAINED THAT HE HAD NOT SIGNED THE PUBLIC ACCOUNTS COMMITTEE REPORT, EVEN THOUGH HE WAS PRESIDENT OF THE COMMITTEE, BECAUSE OF THE SYSTEMATIC EFFORTS OF THE GOVERNMENT MEMBERS OF THE COMMITTEE TO PREVENT FINANCIAL IRREGULARITIES FROM BEING POINTED OUT. SPEAKING FOR THE GOVERNMENT MEMBERS, LABOR DEPUTY DAVID SAID JUGNAUTH HAD NO RIGHT TO SPEAK AS HE HAD ATTENDED ONLY TWO MEETINGS OF THE COMMITTEE AND WAS THUS UNAWARE OF ITS WORK.

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8. IN HIS FINAL SPEECH OF THE YEAR TO THE ASSEMBLY, REVIEWING THE ACHEIVEMENTS OF THE PAST YEAR, PRIME MINISTER RAMGOOLAM CONFIRMED THAT THE GOM PLANS TO HOLD A CONFERENCE HERE ON THE DEMILITARIZATION OF THE INDIAN OCEAN DURING 1978. HE SAID THAT AS A RESULT OF THE CONFERENCE ONE COULD EXPECT THAT THE USSR AND THE US WOULD REDUCE THEIR MILITARY AND NAVAL FORCES IN THE INDIAN OCEAN, AND THE US COULD THEN CONSIDER WITHDRAWING FROM DIEGO GARCIA AND RETURNING IT TO MAURITIUS.

9. THE ASSEMBLY WAS THEN ADJOURNED AND WILL MOST LIKELY NOT RECONVENE UNTIL AFTER THE TENTH ANNIVERSARY OF INDEPENDENCE CELEBRATIONS IN MARCH. AFTER RAMGOOLAM ASKED THE DEPUTY SPEAKER TO SEND THE ASSEMBLY'S CHRISTMAS AND NEW YEAR'S GREETINGS TO THE FORMER GOVERNOR GENERAL AND THE ACTING GOVERNOR GENERAL (AS WELL AS THE SPEAKER, WHO IS IN ENGLAND FOR MEDICAL TREATMENT), THE LEADER OF THE OPPOSITION ASSOCIATED HIMSELF WITH THESE SENTIMENTS BUT THEN ADDED THAT HE HOPED NEXT YEAR THEY WOULD BE ADDRESSED TO THE PRESIDENT OF A REPUBLIC OF MAURITIUS.

10. A LEADING ASSOCIATION OF EMPLOYERS OF THE FREE ZONE
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HAS DECLARED THAT ITS MEMBERS WILL NOT PAY THE END-OF-YEAR BONUS (IN THEIR CASE A "14TH MONTH" OF SALARY) DESPITE THE GOVERNMENT'S DECISION TO ALLOW FREE ZONE FIRMS TO STRETCH THE PAYMENTS OUT OVER THE NEXT SIX MONTHS. THEY SAID THEY COULD PAY THE BONUS ONLY IF THE GOVERNMENT GRANTS THEM A SUBSIDY. THE PRIME MINISTER DECLINED TO RECEIVE A DELEGATION OF EMPLOYERS. THE MMM-AFFILIATED GENERAL WORKERS FEDERATION CAME OUT AGAINST THE GOVERNMENT'S MODIFICATION OF THE WAGE BONUS BILL.

11. THE NATIONAL TRADE UNION FRONT WITHDREW FROM THE TRIPARTITE GOVERNMENT-EMPLOYERS-UNION JOINT COMMISSION BECAUSE ITS REPRESENTATIVES WERE NOT CONSULTED BY THE GOVERNMENT IN DRAFTING THE "13TH MONTH" WAGE BONUS BILL PRIOR TO ITS SUBMISSION TO THE LEGISLATIVE ASSEMBLY.

12. THE FIVE PARLIAMENTARY SECRETARIES HAVE SENT A LETTER

TO THE PRIME MINISTER COMPLAINING BITTERLY THAT WITH ONE EXCEPTION (AGRICULTURE) THEY HAVE BEEN GIVEN NO RESPONSIBILITIES AND ARE NOT EVEN KEPT INFORMED BY THEIR MINISTERS OF THE AFFAIRS OF THEIR MINISTRIES. THEY THREATENED TO BOYCOTT THE ASSEMBLY IF THE SITUATION IS NOT CORRECTED.

13. MAURITIUS' FIVE MUNICIPAL COUNCILS THIS WEEK ELECTED MAYORS FOR THE COMING YEAR. MAURITIAN SOCIAL DEMOCRATIC PARTY (PMSD) LEADER GAETAN DUVAL WAS RE-ELECTED IN CUREPIPE, AND ANOTHER PMSD COUNCILLOR WAS CHOSEN IN QUATRE BORNES. THE OTHER THREE TOWNS ARE CONTROLLED BY MMM MAJORITIES, AND THE PARTY CHOSE THOSE WHO WILL BE THE NEW MAYORS. ONE IS A SENIOR MEMBER OF THE PARTY HIERARCHY: RAMDUTH JADDOO, PARTY VICE PRESIDENT AND MEMBER OF THE ASSEMBLY, WAS CHOSEN AS MAYOR OF BEAU BASSIN. THE MMM HAS MADE A POINT OF THE FACT THAT THE LABOR PARTY IS CONFIDENTIAL

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TAKING A BACK SEAT TO ITS PMSD COALITION PARTNER IN THE TWO TOWNS CONTROLLED BY THE ALLIANCE.

14. THE PRESS IS SPECULATING THAT THE MMM'S NEWSPAPER, LE MILITANT, WHICH IS IN FINANCIAL TROUBLE, MAY BE LIQUIDATED PRIOR TO THE END OF THE YEAR, TO BE REPLACED BY A NEW JOURNAL TO BE CALLED "AVANT GARDE". TO REPLENISH THE PARTY'S COFFERS, MMM DEPUTIES WILL BE ASKED TO CONTRIBUTE 1500 RUPEES FROM THEIR "13TH MONTH" BONUS TO THE MMM TREASURY.

15. THE GOVERNMENT HAS ANNOUNCED THAT IT HAS OBTAINED ITS FIRST COMMERCIAL BANK LOAN ABROAD, AS RECENTLY AUTHORIZED BY AN ACT VOTED BY THE LEGISLATIVE ASSEMBLY, A SEVEN-YEAR EURODOLLAR LOAN FOR DOLS 37 MILLION ARRANGED BY A CONSORTIUM LED BY LLOYDS BANK INTERNATIONAL OF LONDON. THE PROCEEDS WILL BE USED FOR DEVELOPMENT PROJECTS. THE GOM SAYS THIS LOAN DEMONSTRATES THAT INTERNATIONAL FINANCIAL AGENCIES HAVE CONFIDENCE IN THE FUTURE OF MAURITIUS. PRIOR TO THIS LOAN THE GOM'S TOTAL FOREIGN DEBT WAS ON THE ORDER OF DOLS 53 MILLION.
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Message Attributes

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